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ESTABLISHED 1887

New U.S.-Contra Ties Reported

Some Arms Said to Move Via Portugal

By Stephen Engelberg... WASHINGTON — Congressional investigators have uncovered evidence that Lieutenant Colonel Oliver L. North coordinated many arms shipments to the Nicaraguan



Oliver L. North

CIA May Have Aided Rebels Despite Ban

By James LeMoyné... WASHINGTON — U.S. Central Intelligence Agency officers in Costa Rica were far more deeply involved than previously acknowledged in advising the Nicaraguan



Finance Ministers Gerard Stoltenberg of West Germany, center, and Edouard Balladur of France, right, before the meeting of EC ministers on Sunday in Brussels.

EMS Agreement On Revaluation Reported Near

By Peter Maass... BRUSSELS — European Community finance ministers, seeking to end a monetary crisis, were nearing agreement Sunday on a revaluation of the West German mark and Dutch guilder by 3 percent against the French franc, EC officials said.

An accord was being held up by Belgium, Denmark and Ireland. They argued that their currencies should be revalued by 1 percent, EC officials said. Although the talks were reported as tense, the officials believed the standoff would be ended by Monday morning.

rebels on military and political strategy last year, according to rebel officers, Costa Rican officials and U.S. congressional aides. According to those sources, who provided names and dates detailing the agency's activities, CIA officers in Costa Rica advised the rebels on military organization and tactics, weapons deliveries and the formation of a new U.S.-backed rebel group.

Report Is Optimistic on Recovery of Rhine

By Thomas Netter... GENEVA — Two months after a fire and chemical spill in Basel polluted the Rhine River, causing widespread fear that the waterway was ecologically dead, a report says the river may be able to regenerate faster than was believed.

Grand Jury Subpoenas Marcoses

By George Lardner Jr. and Caryle Murphy... WASHINGTON — Former President Ferdinand E. Marcos and his wife, Imelda, have been subpoenaed by a federal grand jury in Alexandria, Virginia, and are expected to testify, possibly this month, according to sources.

LATE NEWS

Guinness Names New Chairman

LONDON (Reuters) — The British-Irish brewing company Guinness named a new chairman Sunday to take over from Sir James Watson, who stepped aside until the British government completes an inquiry into the company's finances.

Cities Hit In Attacks by Iran, Iraq

NICOSIA — Iran launched missile attacks on Sunday against Baghdad and the southern Iraqi port city of Basra. Iraq said that it countered with a "desecrating" air attack on the Iraqi holy city of Qum.

Broncos Beat Browns in Overtime, Gain Super Bowl

Quarterback John Elway, fleeing the defensive rush of the Cleveland Browns in the first quarter Sunday, led the Denver Broncos on a game-tying 98-yard drive in the fourth quarter of the National Football League contest, then Rich Karlis kicked a 33-yard field goal early in overtime for a 23-20 victory that put the Broncos into the Super Bowl for the second time.

President Takes a Back Seat

Aberto Morazo/The Associated Press... PRESIDENT TAKES A BACK SEAT — President Corason C. Aquino watches as her daughter, Kris, sings at a rally urging ratification of the draft Philippine Constitution.



Hi 'Overworked'

BEIJING (AP) — Hu Yaobang, secretary-general of the Chinese Communist Party, is too overworked to meet with visitors, a Japanese politician was told Sunday.

Inside Today

GENERAL NEWS... A drug shows promise in the battle against AIDS. Page 2. The Soviet Union named a new chief negotiator to the Geneva arms talks. Page 3. Italy's defense minister feels betrayed over the Iran-contra affair. Insights, Page 5.



Ted Turner may be negotiating to sell a big piece of his financially troubled Turner Broadcasting System. Page 7.

One Lesson From Fire Disaster in San Juan: It Could Happen Anywhere

By Jon Nordheimer... SAN JUAN, Puerto Rico — Special circumstances, including a pile of new furniture, weak safety regulations and a poorly equipped, understrength fire department, helped bring the death toll to 96 in the fire New Year's Eve at the Dupont Plaza Hotel.

Synthetic materials are used throughout buildings, and especially in places like expensive resort hotels, and the basic ingredient in them is the same thing they make gasoline from.

Connecticut are among the few states that have enacted stringent uniform codes. Even where codes are strict, however, enforcement can be spotty. What worries many fire experts the most is the use of plastics and other synthetic materials in furnishings. In hotels like the Dupont Plaza, rugs, upholstery, wall decorations, draperies, mirrors, frames and even parts of slot machine casings are made of materials that emit poisonous gases when they burn.

IR READERS IETHERLAND

The British government is considering selling British Rail to the public after the next general election. Page 7.

TO OUR READERS

The next Personal Investing section will appear in the International Herald Tribune on Monday, Jan. 19.

Shultz Says Policy Unchanged On Pretoria Despite Criticism

By David B. Ottaway
Washington Post Service

NAIROBI — Secretary of State George P. Shultz has insisted that the U.S. government's policy of "constructive engagement" with South Africa has not changed despite the imposition last fall of economic sanctions against the white government there.

Mr. Shultz's remarks came at a press conference Saturday in which African reporters bombarded the secretary with sharp questions about U.S. policy toward Africa, including economic aid to sub-Saharan Africa and the administration's support of South African-backed rebels in Angola.

A Kenyan reporter asked Mr. Shultz, who was on the third leg of his tour of six black African nations, whether there was any change in U.S. policy toward Pretoria following the congressionally mandated sanctions imposed in September.

strongly" during his talks Saturday, but he did not elaborate.

On another topic, Mr. Shultz was asked by a Nigerian journalist whether the 34-percent cut in U.S. economic aid to black Africa this year had been dictated by "racism or economics."

The secretary replied by explaining the sharp cutback mandated by Congress in the administration's budget generally and in foreign aid specifically.

Another reporter, a Kenyan, asked why the administration was willing to provide military and other aid to "freedom fighters" opposed to Communism but not those, such as South African blacks, fighting for "human dignity and human rights."

Mr. Shultz did not answer the question directly, but said, "We are

in favor of freedom and human rights and dignity everywhere and we support it where we think it can do some good in a security sense."

Earlier, the Nigerian reporter had also asked Mr. Shultz about U.S. backing for Jonas Savimbi's guerrilla movement fighting in Angola against the Soviet-backed Marxist government.

The policy of secret aid for Mr. Savimbi's National Union for the Total Independence of Angola, adopted by the administration last year, has been bitterly criticized by many black African leaders.

Mr. Shultz told the reporter that the administration supported Mr. Savimbi and others around the world "fighting for freedom and independence in their own countries, and we intend to continue that support."



Secretary of State George P. Shultz joining Sunday in a traditional Massai dance at Keekorok Lodge in the Massai Mara game reserve during the U.S. official's visit to Kenya.

WORLD BRIEFS

Guerrillas to Discuss Kabul Truce Bid

ISLAMABAD (Reuters) — Afghan rebel leaders are due to meet Monday to discuss the Kabul government's new peace offer, an official of the main guerrilla alliance said Saturday.

Leaders of the seven parties in the Islamic Unity of Mujahidin of Afghanistan will gather in the northwestern Pakistani city of Peshawar, the official said.

Major General Najibullah, the Afghan leader, began an initiative to end the eight-year conflict two weeks ago, offering to talk to the rebels and declaring a cease-fire that is scheduled to begin Thursday. The guerrillas rejected the proposal, but some guerrilla supporters have said it was necessary to give a more substantive response.

Report Assails U.S. Math Curriculum

NEW YORK (AP) — Mathematics pupils in the United States badly trail those in Japan and Hong Kong, largely because of unchallenging and pointlessly repetitious school curriculum, a U.S. study of schools in 18 countries and territories concludes.

"In school mathematics, the United States is an underachieving nation and our curriculum is helping to create a nation of underachievers," said the study, "The Underachieving Curriculum: Assessing U.S. School Mathematics from an International Perspective," which was released Sunday.

The report follows a study, released Jan. 3 by the U.S. education secretary, William J. Bennett, that extolled Japanese elementary and secondary schools. Mr. Bennett suggested that Americans borrow some ideas from Japan, especially the view that "progress can be made by practically anyone who tries hard enough."

Pope Assails Arms Race, Calls for Cuts

ROME (NYT) — Pope John Paul II condemned the arms race Saturday as a fundamental cause of friction between rich and poor countries, and he called on nations to cut their stockpiles of weapons to levels compatible with self-defense.

In his annual New Year's address to diplomats accredited to the Vatican, John Paul also said nations making the "long and difficult" passage from dictatorship to democracy needed encouragement to take the "path of peace."

"Huge military expenditures, he said, look 'dangerous, ruinous and scandalous' to countries that lack essential food and sanitation. The pontiff added: "This is one of the keys to the problems of North-South relations which stem, from an ethical point of view, even more fundamental than those in East-West relations."

U.S., Egypt Differ on Peace Moves

CAIRO (UPI) — Egypt and the United States have differed publicly over the need for an international conference on Middle East peace, with a U.S. diplomat, Richard W. Murphy, calling instead for direct Arab-Israeli negotiations.

Mr. Murphy, an assistant secretary of state, speaking after an hour-long meeting with Foreign Minister Esmat Abdel Meguid, said the United States "did not see value" in a conference involving the five permanent members of the United Nations Security Council. A spokesman for Mr. Abdel Meguid said he called for an "international peace conference as the practical means in whose framework negotiations can be held."

Mr. Murphy previously visited Jordan and Israel for talks on activating the stalled peace effort and restoring U.S. credibility in the Arab world after the U.S. arms-for-hostages deal with Iran.



Richard W. Murphy

Chad Reports Clashes With Libyans

NDJAMENA, Chad (AP) — Libyan troops and Chadian forces fought several skirmishes in northern Chad, leaving some Libyan soldiers killed and wounded, the government said Sunday.

A military statement said the clashes occurred Saturday near Yebbou, east of Bardai near Chad's border with Libya.

Meanwhile, the head of France's armed forces, General Jean-Michel Saulnier, ended an evaluation mission to Chad on Sunday and said there was "uncontestably a new situation" in the Libyan offensive in the north that began last month. The offensive apparently has stalled and government troops have scored some successes, notably the taking of Fada on Jan. 2.

U.S. Marine Linked to Soviet Spying

WASHINGTON (WP) — A U.S. Marine Corps security guard assigned to an embassy in Moscow and Vienna is in pre-trial confinement at the Quantico Marine base in Virginia on suspicion of espionage, military officials said.

Sergeant Clayton J. Lonstree, 25, of Chicago, is under investigation for espionage, unauthorized removal and disclosure of classified information and failing to report contacts with citizens of Communist-controlled nations, a Marine spokesman said Saturday.

Sergeant Lonstree allegedly provided secret information to the Soviet Union through a woman believed to be an agent of the KGB, the Soviet secret police and intelligence agency, according to a State Department source who described the activities as "a classic Soviet entrapment case."

For the Record

The last 11 prisoners protesting alleged brutality at Glasgow's high-security Brixton Prison gave themselves up Saturday, a government spokeswoman said.

Six Italian Radical Party members, including three members of Parliament, were arrested Sunday in Warsaw while demonstrating against Monday's visit to Italy and later the Vatican by the Polish leader, General Wojciech Jaruzelski.

South Africa's population fell 3.3 million to 23.4 million from 1984 to mid-1985, according to a survey by the South African Institute of Race Relations. (AP)

Strikes Seen Subsiding In France

PARIS — Strikes among workers in French public services appeared to be winding down Sunday as support for the stoppages waned.

The state-owned railway said 70 percent of scheduled long-distance trains were running and that work had resumed at more than half of the 94 main depots. The unions disputed the figures.

Three unions accepted a pay offer Saturday for workers at the state-owned electricity and gas utilities, where strikes disrupted service last week. Management said it expected there would be no more of the random power cuts that have provoked protests this week by many businesses and private consumers.

In Paris, however, a strike by the workers for the Metro and bus systems over pay entered its seventh day and appeared certain to continue Monday. The systems appeared to be operating at about half their normal capacity on Sunday.

The pro-Socialist French Democratic Labor Confederation, or CFTD, was scheduled to decide Monday whether to join the accord reached by the utilities workers. It called for its members to end their walkout.

The Communist-led General Confederation of Labor, or CGT, said in a statement Sunday that it would not join four other unions in calling for a return to work, but it said that it would turn to other forms of protest rather than cutting power production.

"A cold wave is hitting our country," the statement said. "The CGT considers that the population should not, under the circumstances, be affected by power reductions."

But dissatisfaction among workers in the public sector persisted over the government's policies of limiting wage rises, scaling down the state's participation in industry and introducing more flexible working hours and conditions.

The stoppage on the railways, which began 25 days ago, was strongest in the south, where train drivers in Marseille, Bordeaux, Toulouse and Montpellier voted to extend their action for 24 hours.

The Rally for the Republic and Union for French Democracy parties, which are partners in the conservative government of Prime Minister Jacques Chirac, and the far-right National Front, business organizations and consumer groups planned rallies Monday in Paris and elsewhere to protest the strikes.

Jean-Marie Le Pen, leader of the extreme-right National Front, said Sunday his party's demonstration would be aimed at what he called government laxity in handling the labor unrest.

Nakasone In Helsinki For Talks

HELSINKI — Prime Minister Yasuhiro Nakasone of Japan began Sunday an official visit to Finland during which he is expected to ask Finnish leaders about their views on the leadership in the Soviet Union.

Mr. Nakasone arrived in Helsinki on Saturday at the start of a tour of four countries with special insights into the Kremlin. They are Finland, East Germany, Yugoslavia and Poland.

Many analysts say that one of the failures of Japanese diplomacy under Mr. Nakasone has been Moscow's rejection so far of his attempts to invite the Soviet leader, Mikhail S. Gorbachev, to Japan and to make a return visit to the Soviet Union.

His two days of talks in Finland are to include meetings with Prime Minister Kalevi Sorsa and President Mauno Koivisto, two of the most frequent visitors to Moscow outside the Eastern bloc.

The New York Times reported from Tokyo: Government officials have characterized Mr. Nakasone's trip as an important breakthrough, broadening Japan's diplomacy beyond its customary focus on the United States, Asia and Western Europe. No Japanese leader has ever before made state visits to the countries on Mr. Nakasone's itinerary.

Of particular interest is whether the prime minister will offer Poland some form of economic assistance when he arrives in Warsaw on Thursday. Foreign Ministry officials say there are no such plans.

Nevertheless, the Japan Times, which often reflects government thinking, reported that Mr. Nakasone was prepared to make available \$200 million in loans from Japan's Export-Import Bank, after Poland presents a plan for repaying its \$30 billion debt to Western creditors.

Japan, along with a number of Western countries, imposed economic sanctions on Poland after martial law was declared in 1981. But the Japanese, who hold about \$1 billion of the Polish debt, have recently eased their hard-line stance and indicated a readiness to restore normal relations.



Prime Minister Yasuhiro Nakasone, left, is greeted upon his arrival in Finland by Prime Minister Kalevi Sorsa.

Irish UN Soldier Killed By Israelis in Lebanon

BEIRUT — The commander of the United Nations peacekeeping force in southern Lebanon said Sunday that an unprovoked Israeli tank fire had killed a UN soldier from Ireland.

"The Irish soldier," said Major General Gustav Haegglund, the commander of the UN Interim Force in Lebanon, "was killed by a round fired from an Israeli tank. This firing was unprovoked."

"I have vigorously protested this act to the Israeli authorities, who undertook to conduct an urgent investigation."

The Irishman, Corporal Dermot McLaughlin, 33, was killed Saturday at a UN post near the village of Baraachit on the edge of Israel's self-declared "security zone."

The UNIFIL spokesman, Timur Goksel, said that Corporal McLaughlin died after an Israeli unit near Baraachit opened fire with tanks, mortars and machine guns at an Irish-held UN position on Saturday night.

The Irish position commander went up to the roof of the building and fired two flares to show that the position was occupied by UNIFIL troops, Mr. Goksel said. "But as he was coming down, another tank round exploded in a room where the soldier was resting. The position was seriously damaged and the firing continued for 10 minutes."

He was the 21st Irish soldier to die in Lebanon and the 139th fatality suffered by UNIFIL since it was deployed in 1978 after an Israeli invasion of the south.

In Jerusalem, an Israeli Army spokesman said Corporal McLaughlin was killed accidentally when Israeli troops fired at a guerrilla concentration on the border of the security zone. She said the Irish soldier was in a nearby building that houses the UNIFIL post.

The spokeswoman said that the army had opened an investigation into the incident.

An Israeli Foreign Ministry spokesman said: "Needless to say, which often reflects government thinking, reported that Mr. Nakasone was prepared to make available \$200 million in loans from Japan's Export-Import Bank, after Poland presents a plan for repaying its \$30 billion debt to Western creditors."

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Unprecedented Trip

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France Expels Envoy From New Caledonia

PARIS — The French government, which canceled high-level contacts with Australia last month, announced Sunday that it has expelled the Australian consul general to New Caledonia in a dispute over French rule of the South Pacific island.

The measure was the latest manifestation of a long-running disagreement between France and Australia centered on Australia's insistence that Paris halt nuclear tests in the South Pacific and grant independence to New Caledonia.

While falling far short of a break in relations, the French decisions have called attention to the discord on these issues between France and 13 Pacific nations joined in the South Pacific Forum.

French sensitivities have been heightened since the United Nations General Assembly voted Dec. 2 to put New Caledonia on the assembly's list of territories that should be granted independence and called on France to "cooperate with the UN decolonization committee in the implementation of this resolution." Australia was among the Pacific countries pushing hardest for the General Assembly action.

In apparent retaliation two weeks later, Foreign Minister Jean-Bernard Raimond of France notified the Australian ambassador in Paris, Peter Curtis, that France was cutting off ministerial exchanges between the two countries. Gaston Flosse, the secretary of state for South Pacific affairs, canceled a visit he was to make next month to Australia.

The French Foreign Ministry said Sunday that John Dauth, the Australian consul general in New Caledonia, was ordered to leave the French-ruled territory within one month because of "activities unbecoming his diplomatic status."

A ministry spokesman refused to elaborate on what Mr. Dauth had done to anger the French authorities. Officials of Prime Minister Jacques Chirac's government have accused Australia recently of interference in internal French affairs and a "systematic campaign against French policies" in the South Pacific.

Foreign Minister Bill Hayden of Australia, in a statement issued in Canberra, called the expulsion order "unilateral and unjustified" and denied that Mr. Dauth had acted outside the definition of his consular mandate.

New Caledonia has become a thorn in the side of the French government since clashes in late 1984 between independent activists from the local Melanesian people, called Kanaks, and French settlers eager to keep the territory as a part of France.

The Socialist government then in power under President Francois Mitterrand responded with a formula that could have opened the way to eventual independence for the island. Since Mr. Chirac came to power with a conservative parliamentary majority in March 1986, Australia and other Pacific countries have expressed fear that this opening will be abandoned.

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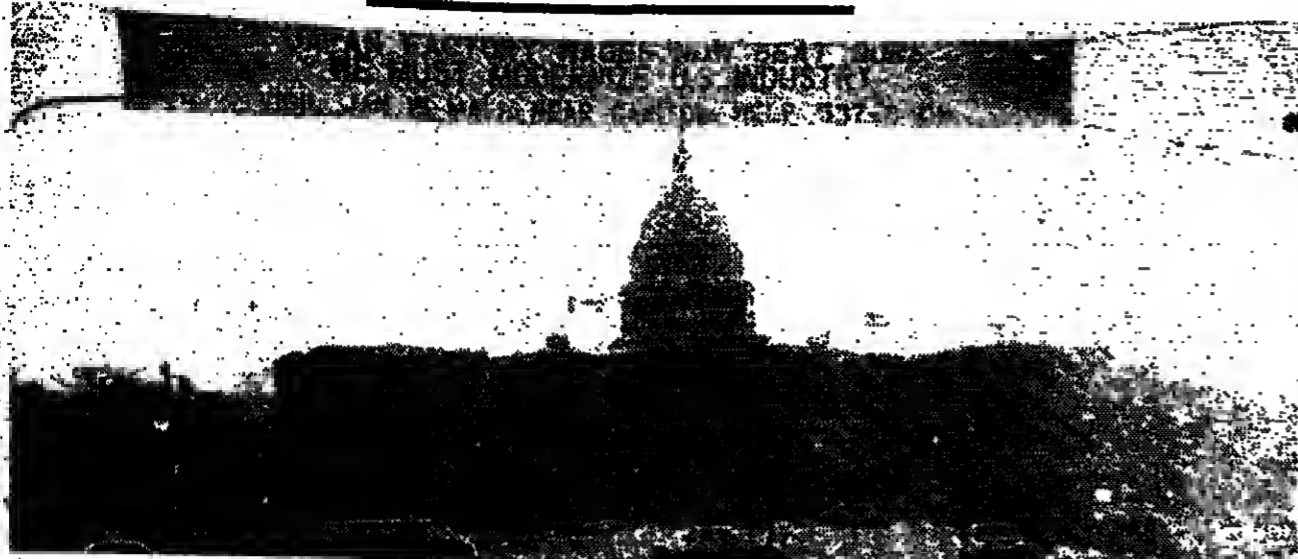
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AMERICAN TOPICS



KEEPING UP WITH THE JAPANESE — A banner in Washington, near the Capitol, issues an SOS for U.S. industry.

Modern Restoring Techniques Give Historic Houses New Life

As research methods and technologies become more sophisticated, curators of residences dating from the American Revolution are changing the décor, usually from frilly but dull to plain and bright, to bring them more in line with historical reality.

Short Takes

Bankers Trust in New York says it is providing a "Relationship Manager" for private clients. This prompted the "Metropolitan Diary" column of The New York Times to comment: "It's probably a good thing. Machines seem to have taken over banking anyway, and so many relationships these days are in a mess."

Business has more than doubled since...

Business has more than doubled since... according to a study by Purdue University in Indiana. Ohio instituted a new law in March 1983 that made it more likely that motorists caught drinking and driving would be sent to jail and have their licenses suspended.

Gorbachev Assails U.S. Responses to Soviet Initiatives

WASHINGTON Post Service MOSCOW — Mikhail S. Gorbachev, the Soviet leader, faulted the Reagan administration Sunday for not responding to Moscow's diplomatic initiatives during 1986.

Soviet Replaces Chief Negotiator at Geneva Talks

By R. Jeffrey Smith Washington Post Service

WASHINGTON — The Soviet Union has told the United States it will replace the chief Soviet negotiator at the Geneva talks on nuclear weapons when they resume Thursday, according to U.S. officials.



Yuri M. Vorontsov

It is quite obvious the American administration is engaged in a clear effort to establish military superiority over the Soviet Union, through the tests and the Strategic Defense Initiative program," he said.

U.S. Officials Split State Department officials have proposed that American negotiators be given the authority to drop the administration's proposed ban on long-range mobile missiles during the next round of arms talks.

In Managua, Fleeting Liberties

Ortega Signs Constitution, Promptly Suspends 10 Articles

The Associated Press

MANAGUA — President Daniel Ortega Saavedra has signed a new Nicaraguan Constitution, but he announced later that a state of emergency nullifying many civil liberties would be reimposed because of the "continued North American aggression."



President Daniel Ortega Saavedra of Nicaragua, left, greeting President Alan García Pérez of Peru in Managua.

Statement by Rebels

Joanne Omsing of The Washington Post reported from Washington: The Nicaraguan rebels made public Friday a detailed promise of what their future government would look like if they should succeed in taking power in Managua.

It outlined a small, apolitical armed force, in contrast to the 60,000-member Popular Sandinist Army, and promised to move toward a demilitarized Nicaragua defended by a small civil guard on the model of Costa Rica.

Marion Schoen, Big Band Singer, Is Dead at 67

The Associated Press

KIRKLAND, Washington — Marion Hutton Schoen, 67, the former lead vocalist for the Glenn Miller Orchestra who spent the last two decades helping other women alcoholics, has died of cancer.



Swiss Bank Corporation reveals a closely guarded professional secret:

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The Curtain Stays Down

Mikhail Gorbachev continues to make remarkable changes. Boris Pasternak's long-banned 'Doctor Zhivago' will be published within the year...

gration last year. The head of the Soviet delegation to the Helsinki review conference says that 4,450 Russians were allowed to leave through November...

Talking With the ANC

Its 75th anniversary finds the African National Congress struggling. Its name and cause have become far better known outside South Africa...

omic shape of a new society, a debate darkened by, among other things, the Communist element within the organization.

Leadership Is Needed

The White House is so eager to demonstrate that President Reagan did not know about transferring Iranian arms to the Nicaraguan rebels that it releases, and urges the Senate intelligence committee to release, humiliating evidence of its foreign policy ineptitude.

the report last week that \$10 million in 'humanitarian' aid to the Contras is unaccounted for. Secretary of State George Shultz and Assistant Secretary Elliott Abrams solemnly promised Congress that if allowed to solicit nonlethal aid from third countries, they would take special care to prevent its misuse.

Other Comment

Free, Partly Free, Not Free
Of the estimated world population of 4,963.9 million people, 1,942.5 million live in 57 free states and 34 related territories...

and democracy were slow and unsteady. Thailand showed increasing respect for diversity of opinion and participation. Bangladesh ended martial law but elections there were seriously marred.

There Is a Better Way Than Boom-Booms

By Flora Lewis

PARIS — In the aftermath of World War I, there was a great campaign against the 'merchants of death' who made fortunes selling arms and encouraging wars to use them up.

ence that first the Soviet Union should agree on negotiated restraints. These negotiations broke down because of intramural quarrels in the American bureaucracy and ultimately with the suspension of practically all U.S.-Soviet talks after the invasion of Afghanistan.

in economic aid, of which \$1.4 billion is food and \$5.8 billion is military aid. Soviet figures are not available, but Moscow is known to be far readier to ship weapons than to finance development.

But 'Arms Sales Were the Best Part of My Business'

By Said K. Aburish

LONDON — The Iran arms scandal has introduced the public to the shadowy world of the Middle East intermediary — people like Manucher Ghorbanifar of Iran and Adnan Khashoggi of Saudi Arabia.

powerful — a king, a president, a sheikh, a minister or a relative of theirs — in exchange for a commission that is shared by the intermediary and his political patron.

who might otherwise have refused to respond to Iranian inquiries. In their rush to buy weapons, the Iranians have even tried to barter caviar. One of their agents showed up in London recently and offered a huge shipment of caviar to a large British retailer.



The writer has worked as a consultant on Middle East business for 12 years. He is the author of 'Payoff: Wheeling and Dealing in the Arab World,' from which this article was adapted by The Washington Post.

Emigration Diplomacy Requires a New Flexibility

By Stephen S. Rosenfeld

WASHINGTON — Nathan (formerly Anatoli) Shecharansky, the noble Soviet Jew who taught his way to freedom in Israel, advises Americans to hang tough with the legislation restricting Soviet trade and to beware of an effort by Mikhail Gorbachev to buy back into the American technological flow by token Jewish emigration.

negative effect on Jewish emigration and on Soviet-U.S. relations overall. Americans, built on personal struggle and fidelity to Jewish tradition, are over-weighing and, as it is understandable that someone who won a heroic contest of wills with the Kremlin would see the rescue of other Jews in terms of continuing that contest. His political judgment, however, is mortal. Not alone among former Soviets, he is strong on commitment, weak on history.

valued in American judgments) and deliver up the emigrants; and it Moscow did not deliver, it deserved to be punished. Mr. Shecharansky has an immense emotional investment in this view. So do many Americans, including those who are more aware than he of the amendment's spoiling effect on emigration and on Soviet-American ties across the board.

Gorbachev Runs the Same Old System

LAST month, Anatoli Marchenko died in Chistopol prison of a hunger strike. Four years before, in the same prison, I went on a similar strike. Mr. Marchenko was allowed to die. I was not. The West must ask what has changed in four years.

would be forthcoming. Their assessment has proved to be accurate. How have they managed to silence the outcry that would have been raised at the death of such a prominent dissident only a few years ago?

This is the second decade of experience with the Jackson amendment. Few would argue that Moscow is now readier to be humiliated. But the Kremlin is better placed to keep its word than we are. It is better equipped to resist the temptation to be bribed by the Jackson amendment. It trades with third countries. It spies. With Andrei Sakharov back in Moscow, it can better resume official exchanges.

LETTERS

Violence, Did He Say?

Regarding 'Why the United States Denies Visas' (Dec. 16) by Jerome C. Ogden, deputy assistant secretary of state for visa services:

Section 29 of the U.S. Immigration and Nationality Act states that a person can be refused entry into the United States for advocating violence as a means for achieving political ends.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Japan Responds

TOKIO — The newspaper Yomiuri declares that the allegations made by the Herald's correspondent at Peking about Japan are farcical. It says: 'Japan is consistently neutral. She has refrained from backing the Chinese Republicans, fearing the effect of such action upon the Japanese mind, and has not backed the Imperialists, fearing a Russian boycott.'

1937: Armed Neutrality

WASHINGTON — [Walter Lippmann writes:] Senator Arthur Vandenberg, like most of us, would be glad to find a policy that is guaranteed to keep the United States out of another great war. I wish I could believe that such a policy can be invented. For it is plain enough that if a European war breaks out, it will be so devastating that for generations to come Europe will be living in another Dark Age.

The Quality of Life

James Michener, in 'Last-Ditch Remedies for an Ugly American Decade' (Jan. 7), has a lot of much of what has flourished in America, and does so with style and sensibility. I hope a copy has reached the Oval Office.

Mr. Cullen is more careful. He identifies as the particular culprit the Jackson clause requiring the American president to certify, in order to waive trade restrictions, that he has 'received assurances' on emigration from Moscow. The Jewish mainstream groups lobbying for emigration are reluctant to grant that this clause is inhumane. But it is. Without it, an emigration-trade link would remain in the law but the test would be Moscow's actual performance on emigration: letting people go.

Camdessus Banks on Solidarity

By Jim Hoagland

PARIS — Michel Camdessus, a Gascon of soft charm and quick insight, arrives in Washington this week to take charge of the International Monetary Fund and become a major player in the expanding world of economic diplomacy.

As any smart public servant would, Mr. Camdessus arrives publicly stressing continuity and privately thinking about the wrenching changes that could come to the world economy and the IMF in the five years he will head it. The key change that he has to fear is that the United States will turn into a major problem for the fund rather than its chief benefactor.

Mr. Camdessus, the outgoing governor of the Banque de France, becomes the IMF's seventh managing director on Jan. 16. He will have much to say about whether U.S. banks get back the mountains of dollars they shoveled out in loans to developing countries in the 1970s, whether the dollar soars or plunges on exchange markets, and whether today's smothering trade deficits become a structural feature of the world economy.

Mr. Camdessus, 53 and an administrator by training rather than a financial technician, comes sharply prepared to deal with the debt crisis. A fluent Spanish speaker who understands Third World economies and politics, he is likely to be effective in continuing the fund's heavy involvement in Latin America and can be expected to expend it in Africa.

He honed his skills as a financial diplomat in winning over a French monetary establishment initially skeptical about his lack of technical experience and about his links with the Socialist finance ministers who appointed him to a series of top jobs after 1981. Now he will apply these skills to reducing the tensions that have developed as the IMF has become a lightning rod for criticism throughout the Third World because of the austerity plans it has imposed as conditions for debt rescheduling.

The uncharted waters for Mr. Camdessus lie more in Washington, and in the continuing failure of U.S. leaders to find effective ways to deal with the U.S. budget and trade deficits. He will not be helped by Paul Volcker's retirement as chairman of the Federal Reserve in August.

As Senator Daniel Patrick Moynihan observed recently, history is likely to record that 'in the 1980s America borrowed a trillion dollars from the Japanese and gave a party.' At about the same time, Karl Otto Pöhl, president of the Bundesbank in West Germany, warned that the United States was behaving like a country with a budgetary surplus rather than the debtor nation it has become, and that the dollar was nearing 'a crisis of confidence' as a reserve currency.

It is revealing that Mr. Camdessus lists protectionism just after debt as the most urgent problem facing the IMF. While he does not lay out his thoughts on the subject fully, his remarks suggest that he fears that strong political reaction in the United States to the U.S. trade deficit could provoke protectionist responses that would choke off the exports that the Third World needs to sell to pay off American banks.

He makes this point by lavishly quoting Treasury Secretary James Baker's 'growth-oriented strategy' for resolving the debt problem. He agrees that 'these countries have to grow to make their payment of debt through the export of goods and services. And they have to be given the means of financing growth' through continued free trade.

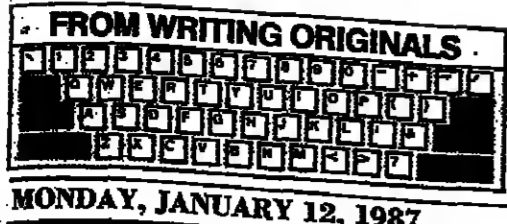
With new trade friction bedeviling U.S. relations with the European Community and Japan, a U.S. protectionist tide could also severely damage the prospects of achieving the continuation of economic policies that the seven major industrialized countries endorsed in Tokyo last May as the key to restoring world economic growth. Mr. Camdessus will be working to hold the seven countries to their pledge to come up with a strategy based on common economic indicators, and he will bring fresh enthusiasm for the discussion of currency target zones as a way of reducing exchange rate volatility.

'These could be five difficult years,' he says. His one big advantage, he adds, 'is that everyone now knows that no one can resolve these problems alone. Even the biggest countries have understood they can no longer work alone.'

Mr. Camdessus is not helping. The Washington Post.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher PHILIP FOISIE, Executive Editor • WALTER WELLS, Editor • SAMUEL ARI, KATHERINE KNORR, and CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Page RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAISON, Circulation Director • ROLF D. KRANEPHUI, Advertising Sales Director International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46 37 93 00. Telex Advertising: 613595; Circulation: 612832; Editorial: 612718; Production: 630698. Directeur de la publication: Walter N. Thayer. Editor for Asia: Michael Richardson, 5 Convent Road, Singapore 0511. Tel. 472-7768. Telex RS56028. Managing Dir. U.K.: Robin MacKintosh, 63 Lang-Acre, London WC2E 9LW. Tel. 836-4800. Telex 363009. Gen. Mgr. W. Germany: W. Lenzeloth, Friedrichstr. 13, 1000 Berlin. Tel. (030) 72633. Telex 416721. Pres. U.S.: Michael Cowser, 350 Third Ave., New York, N.Y. 10022. Tel. (212) 225-3800. Telex 47175. S.A. an capital of 1,200,000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337. © 1987, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

China Asks Intellectual For Views Democracy



Herald Tribune BUSINESS/FINANCE

TO MAKING COPIES 04-83 TOSHIBA Page 7

EUROBONDS Reaction Appears Perverse To Exchange-Rate Turmoil

By CARL GEWIRTZ International Herald Tribune PARIS — The upset in the foreign-exchange markets last week created surprisingly little echo in the international bond market.

And although the dollar is expected to continue slipping against the yen and the mark, around \$1.6 billion worth of Eurodollar bonds launched last week were favorably received.

The explanation, bankers said, is that "hot money" aiming to profit from a mark revaluation is pouring into the domestic West German bond market rather than into DM Eurobonds.

Historically, prices of DM Eurobonds drop after a revaluation as everyone rushes to sell and buyers are scarce.

Today's buoyancy of the dollar-bond market, analysts say, is because investors are most sensitive to fluctuations in interest rates and somewhat impervious to exchange rates.

French and Danish interest rates, kept high for exchange-rate reasons, were driven ever higher last week as tensions within the EMS intensified.

As interest rates of the component currencies drop, ECU interest rates will also decline and bond prices will rise.

ECU bonds currently yield almost 200 basis points, or 2 percentage points, more than comparably dated DM paper, a powerful attraction to investors.

The two ECU bonds launched last week met a favorable response. The European Investment Bank offered seven-year notes at 10 1/4% bearing a coupon of 7 1/2 percent for a yield of 7.69 percent.

However, lead manager Swiss Bank Corp. kept all of the increase for its own clients instead of sharing it with the other underwriters.

Japanese investors are big takers of ECU paper, leading Dai-ichi Kangyo Bank to offer 100 million ECU of 10-year bonds.

Turner May Sell Big Stake Cox, Storer Have Been Approached

By Robert J. Cole New York Times Service NEW YORK — Ted Turner may be negotiating to sell a significant piece of his 80-percent stake in the financially troubled Turner Broadcasting System, according to Wall Street analysts and sources close to the company.

The company refused to say how much stock might be sold. Some analysts said Friday that it was too early to assess the situation but that Mr. Turner would probably fight to maintain control even if he sold a major stake.

Turner Broadcasting said it was discussing a possible "infusion of equity capital into the company" by what it called "a group of cable operators."

Sliver Communications said it was among the companies TBS had approached. "We have been approached by Turner Broadcasting and expect to talk with them in the relatively near future," a Storer spokesman told Reuters.

According to a spokesman, TBS owes \$150 million in short-term debt and \$1.2 billion in long-term debt stemming from its \$1.6 billion purchase of MGM-UA Entertainment Co. with junk bonds in 1985.

Mr. Turner's office in Atlanta said he was not available for comment. Other officers would say only that the "group" mentioned in the statement referred to "a number of different operators."

TBS common stock rose \$2.875, to \$18, in heavy trading Friday on the American Stock Exchange. The preferred stock rose 50 cents, to \$9.50.

Turner recorded a loss of nearly \$120 million in the first nine months of 1986 on revenue of \$401 million. It posted earnings of \$15.6 million in the period a year earlier on revenue of \$259.4 million.

In addition to the large debt from the MGM-UA purchase, TBS's Cable News Network has weathered a series of financial crises since it was formed in 1979, and negotiations to sell it to RCA Corp. and Gamnet Co. failed in 1985.

Analysts who follow the cable industry said the discussions might also involve Telecommunications Inc. of Denver, the biggest U.S. cable operator. Telecommunications owns about 3 percent of Turner Broadcasting.

The Ballooning of Corporate Debt Some Experts Welcome It; Others View It Warily

By Mark Potts Washington Post Service WASHINGTON — Most companies have some debt on their books, but few have problems as extreme as Chevron Corp., whose debt ballooned to \$15.5 billion when it purchased Gulf Corp. for a record \$13.2 billion in 1984.

Since then the San Francisco-based oil giant has almost halved the debt through stringent cost-cutting and sales of assets. Company wags say the chairman, George M. Keller, was even willing to sell his desk.

So far, there have been no takers for the desk. "It's still here," Mr. Keller said recently. "But make me an offer for it and we'll talk about it."

Mr. Keller's tongue-in-cheek solution indicates the growing level of concern among experts about the amount of debt carried by American corporations.

Economists estimate that the total debt of U.S. corporations has increased by \$300 billion to \$400 billion in the past three years. The rise has been fueled by such factors as leveraged buyouts, in which companies go private using borrowed money to buy back their stock.

Some analysts argue that the increase in debt is long overdue, that U.S. companies have been overly cautious about financing operations with debt rather than equity or stock. These experts see the increasing debt load bringing U.S. companies more in line with their Japanese and European counterparts, which are financed almost entirely with debt.



Raids by T. Boone Pickens, above, and Carl C. Icahn, right, helped deepen Phillips' debt; top right, Chevron's George Keller offered playfully to sell his desk to reduce debt.



Raids by T. Boone Pickens, above, and Carl C. Icahn, right, helped deepen Phillips' debt; top right, Chevron's George Keller offered playfully to sell his desk to reduce debt.

Many others, however, including much of the U.S. business establishment, worry that the rapidly escalating amount of corporate debt is a time bomb that will go off if interest rates jump or the economy slumps.

Furthermore, critics say, companies loaded down with debt are at a competitive disadvantage, beholden to the debt to such an extent that they must be managed very conservatively, with cuts in such necessary areas as capital investment and research and development.

"The threat is that some corporations will go belly up and bring the banking system down with them," said Morris Mendelson, a professor of finance at the Wharton School of Business at the University of Pennsylvania.



"I think it does make companies more susceptible to cyclical fluctuations in the economy," said David Wyss, an economist at Data Resources Inc. "They've got to make debt payments each year, whether they've got profits or not."

The increasing use of debt in recent years can be seen in a comparison of the ratio of debt to net corporate income in a re-

Manila May Bar Citibank Over Rescheduling

Compiled by Our Staff From Dispatches MANILA — The Philippines is considering following Brazil's example by suspending the operations of a U.S. bank in retaliation for its delaying talks on rescheduling the country's debts, newspapers reported Sunday.

The Manila Chronicle said that Citibank, one of the country's largest bank creditors, had delayed talks on restructuring \$3.6 billion of Philippines foreign debt. Citibank has three branches in the Philippines.

The talks have been suspended since November. Manila is "studying what Brazil did to Mellon Bank to find out whether we have legal basis for doing something similar in the Philippines if and when the circumstances warrant this," the Manila Bulletin quoted Finance Minister Jaime Ongpin as saying.

The report could not be immediately confirmed. Brazil last month told the representative office of Mellon Bank in Rio de Janeiro to close down after it refused to renew about \$150 million of short-term credit lines.

Meanwhile, the Philippines News Agency quoted Mr. Ongpin as saying that a Philippines delegation would discuss joint action on foreign debt with the central bank governors and finance ministers of Brazil and Argentina.

He said the meeting, the first held by the Philippines with other major debtor nations, would be sandwiched between talks on Jan. 21 by the so-called Paris Club of Western creditor nations and discussions with Manila's 12 leading creditor governments on Jan. 26, also in Paris.

We want to exchange information to coordinate our action and enhance our ability to deal with our common problems," Mr. Ongpin said.

He reportedly said that the Philippines would not resume negotiations with a 12-bank advisory committee on restructuring part of its total foreign debt of \$27.8 billion unless the banks came up with a counterproposal acceptable to Manila.

The talks were due to have resumed last Tuesday, but collapsed after one bank, identified by foreign bankers as Citibank, refused to agree to a pact similar to one given to Mexico late last year.

Mr. Ongpin said the Philippines wanted better terms than Mexico. He did not give details, but the economic planning minister, Solita Monsod, has said it sought interest of 4 percent over Libor.

Communist rebels of the National Democratic Front have gone so far as to make repudiation of some foreign debt one of the conditions it seeks in return for a cease-fire.

Meanwhile, the National Economic and Development Authority said Sunday that the Philippines' foreign debt is expected to rise to \$28.7 billion in 1987 as the current account swings into deficit.

The current account, a broad trade measure that includes merchandise as well as nonmerchandise items such as services, is expected to register a \$400 million deficit in 1987, it said. The Philippines had a current account surplus of \$900 million from January to September 1986. (AFP, Reuters)

In '87, Debtor Nations Will Look to the Long Term

By James L. Rowe Jr. Washington Post Service WASHINGTON — Debtor nations and their lenders face the most intense period of negotiations this year since late 1982 and early 1983, when first Mexico, then other large Latin American nations ran out of money to pay their foreign debts.

But this year's talks are likely to be far more complex than those in 1982 and 1983, when panicky debtors and creditors quickly put together austerity programs and loan packages to keep Latin America and the financial system afloat.

This year the pre-emptive concern, at least from the debtors' perspective, will be creation of long-term programs that will foster economic growth in the devastated region.

Argentina and Brazil are the major Latin debtors that will go to the bargaining table this year. They will look to the sharply easing terms granted to Mexico as a starting point. The Philippines, among the biggest of the non-Latin debtors, also has based its approach to the talks on many of the breakthroughs achieved by Mexico.

Many of the debtors will be seeking lower interest rates and automatic boosts in lending if economic growth fails to achieve a certain level and export prices stay low. They also are likely to want much looser oversight from the International Monetary Fund, which is unpopular in Latin America because its austerity policies are associated with recession and are considered unwarranted interference in domestic policy-making.

Argentina, with \$53 billion in foreign debts, has been the favorite of the international community for its inflation-fighting efforts. President Raul Alfonsin's economic program reduced inflation to about 70 percent last year, a big improvement over the 1,000 percent it reached in 1985. But the country has been hit by low prices for its grain exports and low investment.

The country will need about \$2 billion in new bank loans this year to help it pay interest and have funds to invest in plant and equipment.

Argentina also is taking steps to open up its closed and inefficient economy to foreign competition, reducing the size of its public sector and reforming its tax system.

Argentina hopes to receive further World Bank and commercial bank loans in return for the reforms.

Brazil, with around \$108 billion of foreign loans, has scaled back its growth goals to about 5 percent, modest by Brazilian standards.

There is expected to be a confrontation between Brazil and its commercial bank lenders over whether they will lend the country new money and renegotiate repayment terms on scores of billions of old loans without the security of an IMF program.

In the Philippines, with nearly \$28 billion in foreign loans, the government of President Corason C. Aquino is planning major economic reforms.

Analysts said the U.S. government's desire to help the new democracy should help in renegotiating old loans and borrowing new money.

U.K. Said to Plan Sale of Brit Rail

REUTERS LONDON — The government is considering selling British Rail, the state-owned railroad system, to the public after the next general election, which is due by early next year, the Sunday Telegraph reported.

Prime Minister Margaret Thatcher is enthusiastic about the plan, which would be the most radical of a series of privatizations by the Conservative government, the paper said.

A Department of Transport spokesman said there were no plans at the moment to sell the system, which receives an annual government subsidy of around \$900 million (\$1.33 billion).

EMS Shift Could Create Havoc in EC Farm Plans

BRUSSELS — Any realignment of currencies within the European Monetary System could create new budget headaches for the European Community, wiping out almost 800 million European Currency Units (\$855 million) it had planned to save on farm costs, according to diplomats here.

A major EMS realignment, which EC monetary officials and central bankers were discussing in Brussels over the weekend, would probably cost the EC almost all the money it had planned to save by reducing dairy and beef surpluses, diplomats said Saturday.

This, in turn, diplomats said, would reduce the chances that the EC could quickly arrive at a budget for 1987 and thus end the uncertainty that has prevailed since mid-December, when the European Parliament rejected budget proposals from ministers as inadequate.

Any EMS adjustment could involve revaluation of the Deutsche mark against most, if not all, of the seven other EMS currencies; those of Belgium, Denmark, Ireland, Italy, Luxembourg, France and the Netherlands.

EC farm prices are translated into national currencies at national "green" rates of exchange. Because of the way this system operates, the diplomats said, an increase in the value of the Deutsche mark would provide weak-currency countries with an opportunity to seek devaluations of their green currencies in line with the EMS readjustments, giving their farmers higher prices.

As a result, an upheaval in EMS currencies of a size similar to that agreed upon last April could cost the EC about 800 million ECU.

This would almost wipe out the 948 million ECU expected to be saved in the 1987 budget by cutting milk and beef surpluses.

In the April realignment, the mark moved up almost 6 percent against the French franc. Because the series of central bank interventions last week that led to the EMS talks was triggered largely by the strength of the mark against the franc, a similar adjustment was expected from the weekend talks.

The EC budget commissioner, Henning Christophersen, said Friday that, following the farm sector in December, he had hoped that the European Parliament would accept a budget of about 35.2 billion ECU for 1987.

Last Week's Markets All figures are as of close of trading Friday

Table with columns for Stock Indices, Money Rates, and other market data. Includes DJ Index, NYSE, and various interest rates.

Currency Rates

Table showing currency rates for various countries including Australia, Canada, France, Germany, Italy, Japan, etc.

Elof Hansson - THE GLOBETROTTER. The international trading house active in pulp, paper, machinery, chemicals, timber, building material, textiles, foodstuffs, steel, consumer goods.

U.S. \$150,000,000 Caisse Nationale de Credit Agricole 7 1/4% Notes Due 1991. Includes logos and list of financial institutions like Citicorp, Bank of Tokyo, etc.

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-422-1277. Prices may vary according to market conditions and other factors.

Jan. 9

Dollar Straights

Table of Dollar Straights bond prices including issuers like Austrasia, Canada, and various government bonds.

France

Table of French bond prices including issuers like B.F.C.E., C.F.C.E., and various government bonds.

Japan

Table of Japanese bond prices including issuers like Bank of Tokyo, Dai-ichi Kangyo Bank, and various government bonds.

Sweden

Table of Swedish bond prices including issuers like Svenska Kassaforbundet, SCA, and various government bonds.

Denmark

Table of Danish bond prices including issuers like Danmarks Nationalbank, Danmarks Riksbank, and various government bonds.

DM Straights

Table of DM Straights bond prices including issuers like Amro Bank, Audi Finance, and various government bonds.

DM Zero Coupons

Table of DM Zero Coupons bond prices including issuers like A.D.B., A.R.C.D.F., and various government bonds.

DM Zero Coupons

Table of DM Zero Coupons bond prices including issuers like Amro Bank, Audi Finance, and various government bonds.

DM Zero Coupons

Table of DM Zero Coupons bond prices including issuers like Amro Bank, Audi Finance, and various government bonds.

American Exchange Options

Figures as of close of trading Friday, Jan. 9

Large table of American Exchange Options with columns for Call/Put, Price, and various bond identifiers.

Chicago Exchange Options

Figures as of close of trading Friday, Jan. 9

Large table of Chicago Exchange Options with columns for Call/Put, Price, and various bond identifiers.

United States

Table of United States bond prices including issuers like Treasury, Federal Reserve, and various government bonds.

Supranational

Table of Supranational bond prices including issuers like ADB, ADB, and various international organizations.

Chicago Exchange Options

Figures as of close of trading Friday, Jan. 9

Large table of Chicago Exchange Options with columns for Call/Put, Price, and various bond identifiers.

United States

Table of United States bond prices including issuers like Treasury, Federal Reserve, and various government bonds.

United States

Table of United States bond prices including issuers like Treasury, Federal Reserve, and various government bonds.

Supranational

Table of Supranational bond prices including issuers like ADB, ADB, and various international organizations.

WestLB advertisement for Fixed Income and Equities Trading, including contact information for Düsseldorf, London, Luxembourg, and Hong Kong.

NASDAQ National Market

OTC Consolidated trading for week ended Friday, Jan. 9

Table A: NASDAQ National Market OTC Consolidated trading for week ended Friday, Jan. 9. Columns include Symbol, Sales, High, Low, Close, and Net Change. Lists various stock symbols and their corresponding market data.

Table B: NASDAQ National Market OTC Consolidated trading for week ended Friday, Jan. 9. Columns include Symbol, Sales, High, Low, Close, and Net Change. Lists various stock symbols and their corresponding market data.

Table C: NASDAQ National Market OTC Consolidated trading for week ended Friday, Jan. 9. Columns include Symbol, Sales, High, Low, Close, and Net Change. Lists various stock symbols and their corresponding market data.

Table D: NASDAQ National Market OTC Consolidated trading for week ended Friday, Jan. 9. Columns include Symbol, Sales, High, Low, Close, and Net Change. Lists various stock symbols and their corresponding market data.

Table E: NASDAQ National Market OTC Consolidated trading for week ended Friday, Jan. 9. Columns include Symbol, Sales, High, Low, Close, and Net Change. Lists various stock symbols and their corresponding market data.

Mutual Funds

Table F: Mutual Funds. Columns include Fund Name, Sales, High, Low, Close, and Net Change. Lists various mutual fund symbols and their corresponding market data.

Table G: Mutual Funds. Columns include Fund Name, Sales, High, Low, Close, and Net Change. Lists various mutual fund symbols and their corresponding market data.

Table H: Mutual Funds. Columns include Fund Name, Sales, High, Low, Close, and Net Change. Lists various mutual fund symbols and their corresponding market data.

Table I: Mutual Funds. Columns include Fund Name, Sales, High, Low, Close, and Net Change. Lists various mutual fund symbols and their corresponding market data.

Table J: Mutual Funds. Columns include Fund Name, Sales, High, Low, Close, and Net Change. Lists various mutual fund symbols and their corresponding market data.

(Continued on next page)

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Table of NASDAQ National Market data, including OTC Consolidated trading for week ended Friday. Columns include stock symbols, prices, and volume.

Table of international stock market data, including various international indices and stock prices. Columns include country/region, index name, and values.

U.S. Firm Asks to Buy Fairchild Units

By Stuart Auerbach
Washington Post Service
WASHINGTON — A San Diego company has offered to buy the defense-related segments of Fairchild Semiconductor Corp. to keep them away from a major Japanese company for national security reasons, business and Capitol Hill sources say.

DEBT: Some Firms Welcome It; Others Eye It Warily

(Continued from first finance page)
very consciously when you have a large amount of debt like we have," said its president, Glenn Cox.
One of the key changes for Phillips has been a curbing of some more venturesome investments — a tricky course in the oil business, where taking chances in drilling for new oil and gas supplies is a cornerstone.

Hutton Sees Major Loss, Citing Large Reserve Fund

New York Times Service
NEW YORK — The E.F. Hutton Group will report a "substantial" 1986 loss because of a \$130 million reserve mainly to cover client losses on several types of securities and tax-shelter investments, the company has announced.

Sharp, Fujitsu Settle With TI In Patent Suit

United Press International
DALLAS — Sharp Corp. and Fujitsu Ltd. of Japan have agreed to pay Texas Instruments Inc. an undisclosed sum to settle a patent infringement case over microchips.

Treasury Bonds

Table of Treasury Bonds data, including maturity, bid, ask, and yield information.

Wall Street Review

Chief Administrative Law Judge Janet Saxon approved the dismissal of all actions against Sharp and Fujitsu. The International Trade Commission has 30 days to review the action, and the Japanese government must also approve it.

International Bond Prices

Table of International Bond Prices, including Yen Straights and various international bond yields.

Euromarts At a Glance

Table of Euromarts At a Glance, including Eurobond Yields, Weekly Sales, and Libor Rates.

AMEX Most Actives

Table of AMEX Most Actives, listing stock symbols and trading volume.

NYSE Most Actives

Table of NYSE Most Actives, listing stock symbols and trading volume.

AMEX Diaries

Table of AMEX Diaries, listing stock symbols and trading volume.

NYSE Diaries

Table of NYSE Diaries, listing stock symbols and trading volume.

AMEX Sales

Table of AMEX Sales, listing stock symbols and trading volume.

NYSE Sales

Table of NYSE Sales, listing stock symbols and trading volume.

INTERNATIONAL CLASSIFIED

Advertisement for International Classified, listing various travel and service agencies such as Euromarts, Regency NY, and others.

SPORTS

Broncos Beat Browns on Overtime Kick

By Barry Wilner

The Associated Press

NFL PLAYOFFS

Against the Broncos, they staged a well-balanced, 86-yard drive, ending in Herman Fontenot's six-yard touchdown reception, for a 7-0 lead. En route, they converted four third-down plays, the last resulting in the touchdown when Koser threw to Fontenot in the flat and the running back faked safety Tony Lilly to the ground.

The Browns' defense stymied the Broncos' solid defense stymied the Browns. Linebackers Ricky Hunley and Jim Ryan each intercepted a pass by Koser and Kevin Mack fumbled away the ball once in the first half.



John Elway, running here, passed the Broncos to victory.

The league's new instant replay rule came into use the third quarter when Mark Harper stepped in front of Jackson's 31. First ruled an incompletion, the call was overturned by replay official Jack Reeder.

But the Browns couldn't move the ball, and Jeff Gossett's 42-yard punt gave Denver the ball at its 30. The Broncos went 61 yards in 11 plays, helped by a roughing-the-passer penalty against Reggie Camp that added 14 yards to Elway's nine-yard pass to tight end Clarence Keener.

Denver scored 10 points off of those turnovers, on a one-yard run by Gerald Willhite and Karlis' 19-yard field goal.

Karlis kicked a 26-yarder in the third quarter and the Browns' Mark Moseley kicked field goals of 29 and 24 yards to produce the 13-13 tie.

SPORTS BRIEFS

Oliva Beats Gonzalez to Retain WBA Title

AGRIGENTO, Italy (UPI)—Patrizio Oliva of Italy went an unexpectedly tough 15 rounds in outpointing Mexican Rodolfo Gonzalez to retain his World Boxing Association junior welterweight title here Saturday night.

West Teams Win Two Football Bowl Games

HONOLULU (Combined dispatches)—Chris Miller of Oregon completed 10 of 16 passes for 210 yards and one touchdown, and Washington's Jeff Jaeger kicked three field goals to lead the West to a 16-14 victory over the East in the 41st Hula Bowl here Saturday.

Miller had completions of 41 and 47 yards to Lorenzo Hill of Washington and Jon Horton of Arizona during a second-quarter stint that produced the West's go-ahead score. His 4-yard pass to Hill with two seconds left in the half made the score 10-7.

Meanwhile, in Stanford, California, quarterback Kelly Stouffer of Colorado State completed his first nine passes, including scoring bombs of 34 and 48 yards, to lead the West to a 24-21 victory in the 62d annual East-West Shrine Football game.

Scott Schwedes of Syracuse returned a kickoff 90 yards in the third period, the longest scoring play in East-West history, to help the East tie the game at 21-21. But the West pulled out the victory on a 19-yard field goal by Nebraska's Dale Klein with 6:53 to play.

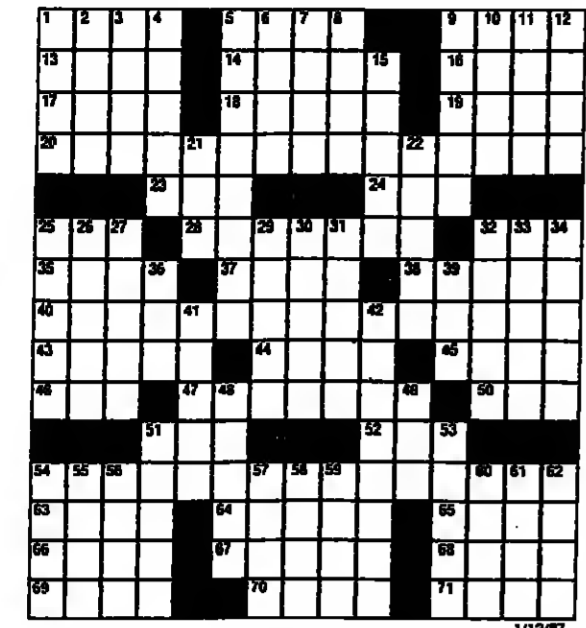
Quotable

• Duffy Daugherty, former Michigan State football coach, on Santa Anita racetrack: "The only place where windows clean people." (LAT)

• Coach Buddy Ryan, after his Philadelphia Eagles posted a 5-10-1 record: "Anytime you have a season like this, there's a possibility there are going to be coaching changes, player changes and sportswriter changes." (LAT)

Solution to Friday's Puzzle

PUZZLE: SPAM, ALLOU, TALITA, ADRE, CANTERBURY, TOTROT, AGRO, LYS, SCISSORS, HOLD, CHUTE, SLOTHS, ANI, UVEA, EERIE, PAPER, MULBERRIES, BULGE, PULL, PRE, STEELS, EDSEL, ROCKNROLLERS, UFO, CARA, ROMPER, SANTAMARTA, ILET, CROAT, ICED, RASA, GORGE, TORO, AYES.



ACROSS: 1 Box, 5 A Celt, 9 Coin originally called disme, 13 Scarlett, 14 Old Norse poems, 16 — of March, 17 Collar or jacket, 18 Unit of tract follower, 19 Melodies, 20 Song from "A Chorus Line", 23 French coin, 24 Public vehicle, 25 Sports enthusiast, 28 Caustic remark, 32 Depot on an RR, 35 Greek god of war, 37 Saw or hammer, 38 A Philippine island, 40 Song identified with Ruth, 43 Odor, 44 British carbine, 45 Region, 46 Cereal spike, 47 Serves, 50 Blunder, 51 Fruit drink, 52 Lubricant.

© New York Times, edited by Eugene Malachuk

DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words. XAMM, UPTYT, BOWEL, CRALIG. Answer here: ONE, TWO, THREE, FOUR.

WEATHER

Table with columns for EUROPE, ASIA, AFRICA, LATIN AMERICA, NORTH AMERICA, MIDDLE EAST, OCEANIA. Lists cities and weather forecasts.

MORNING'S FORECAST — CHANNEL 5, SOUTH BEACONHURST, 7:00-7:30 AM. LONDON: 7:00-7:30 AM. MADRID: 7:00-7:30 AM.

PEANUTS



BLONDIE



BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam

Despite the bullish tendency in New York, prices on the Amsterdam stock exchange declined last week. The ANP-CBS general index closed at 271.3, down from 277.5 on Jan. 2. Turnover rose to 4.801 billion guilders from 992 million.

Hong Kong

Hong Kong stocks scaled new heights last week before tumbling in heavy selling. But prices settled higher overall and the leading market indicator, the Hang Seng Index, closed at 2,561.73, up 21.67 points from a week earlier.

London

Share prices advanced across a broad front last week on the London Stock Exchange. The FT-SE 100-share index reached record highs for three consecutive trading days, closing Friday at 1,752.3, compared with 1,681.1 the previous week.

Milan

The Milan stock exchange index closed Friday at 984 points, down from 1,000 points the previous week, in nervous trading linked to the market's upcoming accountancy period and uncertainty over movement in the European Monetary System.

Singapore

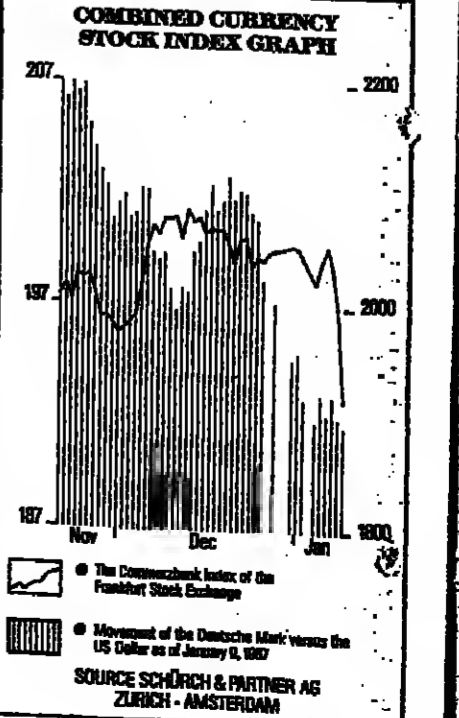
After a long period of listless trading, investors went on a buying spree in Singapore's first week of trading in 1987. Strong gains on all fronts pushed the Straits Times Industrial Index up to 925.52, a gain of 36.44 points for the week.

Tokyo

Shares posted a moderate 99.06-yen gain in the terms of the Nikkei Stock average last week, closing at 18,130.36 yen. In the year's inaugural half-day session on Monday, the Nikkei average advanced 119.15 yen from last year's final trading day, Dec. 29.

Zurich

Anxiety triggered by rumors of a currency realignment within the EMS dampened sentiment on the Zurich stock exchange last week. The Credit Suisse index dropped to 536.9 points, against 558.1 on Dec. 30, the last day of trading in the previous week.



SPORTS

Conditional Peace Pact Puts Australia IV in Finals

Compiled by Our Staff From Dispatches
FREMANTLE, Australia — A peace meeting, arranged by the Royal Perth Yacht Club, has put the yachts Australia IV and Kookaburra III into the final of the trials to select a defender of the America's Cup.

But Kookaburra II, which placed third in the semifinals, may still be racing. It will be upgraded and, in time trials, it proves faster than the winner, either syndicate can use the golden-hulled 12-meter in the cup final starting Jan. 21.

adding he had no qualms about putting his crew in Kookaburra II. "It's the strongest boat, we want to use it."

With anti-Kookaburra sentiment growing because of that syndicate's efforts to get Kookaburra II and Kookaburra III in the final through the jury room, Bond rushed back from a business trip to Hong Kong for secret talks with Parry, a Western Australian department store magnate. They agreed "that total cooperation between the two syndicates was paramount to the defense of the America's Cup," according to a statement released by the yacht club.

Had Australia IV been disqualified in Tuesday's race it would have ended Bond's \$15 million campaign to defend the cup he won in 1983, the victory that made him a national hero. The remaining loss of points would have dropped Australia IV to third place, behind Kookaburra II.

O'Grady Squirrels Away His 2d Title

By Bob Green
CARLSBAD, California — Never mind birdies and bogeys. Mac O'Grady, once a golfing maverick and still an eccentric character who plays right-handed and puts from the left, who runs up mountains and speaks Japanese, had a much more complex explanation for his one-shot victory Saturday over Rick Fehr in the Tournament of Champions.



Mac O'Grady: Some "anterograde amnesia" did the trick.

To combat the yips, O'Grady said he resorted to "anterograde amnesia," which, he acknowledged, could be more simply put as "forget it."

O'Grady, 36, who made 17 attempts at the tour's qualifying school before gaining his playing rights, started the final round one shot in front after regaining the lead from Fehr with a 72 in Friday's third round. He never trailed on Saturday despite 3-putting three times.



Syndicate heads Alan Bond, left, and Kevin Parry, shaking hands after announcing their agreement.

SCOREBOARD

Table containing NBA Standings (Eastern, Central, Western Conferences) and Basketball results for various teams.



David Bruce of Vancouver and New Jersey's Perry Anderson battled to a standoff (both took slashing and fighting penalties) on Saturday, and so did their teams in a 2-2 draw.

Selected U.S. College Results

Table listing results for various U.S. college sports including basketball, football, and hockey.

World Cup Skiing

Table listing results for the World Cup Skiing competition, including names of athletes and their scores.

European Soccer

Table listing results for European soccer matches, including league and cup games.

Transition

Table listing results for various baseball and basketball games.

Hockey

Table containing National Hockey League Standings and other hockey-related information.

Wasmeier Takes Super-Giant Slalom; Zurbriggen Widens His Overall Lead

GARMISCH-PARTENKIRCHEN, West Germany — Markus Wasmeier of West Germany blazed through a snowstorm to win a men's super-giant slalom here Sunday and move to second place in the overall World Cup skiing standings.

Zurbriggen said he didn't want to take unnecessary risks on Sunday. "My downhill victory gave me a lot of confidence, and I took it easy," said the versatile 23-year-old, who is a prime candidate for the gold medals in the two events at the world championships.



Gernot Gafner: "I certainly had no expectations of winning."

Gafner Wins 1st Cup Race

Compiled by Our Staff From Dispatches
MELLAU, Austria — Beatrice Gafner, in only her fifth World Cup race, beat her Swiss teammate and the favorite, Maria Walliser, in a women's World Cup downhill here Saturday.

HL Expels Coach of Kings or Dealings With Canucks

Compiled by Our Staff From Dispatches
NEW YORK — Pat Quinn, coach of the Los Angeles Kings, was fired from the National Hockey League Friday pending investigation of charges that he had signed a contract and accepted money to become general manager of the Vancouver Canucks.

Quinn is under contract to the Kings until this season ends. He is the first coach expelled by the NHL. In three seasons with the Kings, the cigar-chomping Quinn, 43, has reversed a losing trend. Last year they were beaten out for a playoff berth by the Canucks while, after 41 games this season, they were fourth in the Smythe Division with a 18-19-4 record. The Canucks had won 12 games, lost 25 and tied 4; only Buffalo of the NHL's 21 teams, had a poorer record.

Advertisement for The Waldorf hotel, featuring a large Arabic calligraphic graphic and promotional text for a 'Super Sunday' event.

